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DE WTE #4298 3470257
D 1302532 DEC 73 ZYH
FM THE SITUATION ROOM TOHAK 57

TO LARRY EAGLEBURGER FOR SEC. KISSINGER

TOPSECRET/SENSITIVE CONTAINS CODEWORD WH37551

TOHAKST VIA BLACK PATCH

TOP SECRET-SENSITIVE
CONTAINS CODEWORD
MEMORANDUM FOR SECRETARY KISSINGER

DECEMBER 13, 1973

FROM: SUBJECT:

THE SITUATION ROOM MORNING REPORT

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PROBLEMS IN EASTERN EUROPE: CHINA'S RELATIONS WITH ALBANIA AND YUGOSLAVIA ARE CONTINUING TO COOL. PEKING HAS IRRITATED TIRANA BY ITS POLICY OF DETENTE WITH THE U.S. AND WESTERN EUROPE, WHILE THE PRC IS AGGRIEVED BY THE RECENT IMPROVEMENT FOR THE FIRST TIME IN SEVERAL IN SOVIET-YUGOSLAV RELATIONS. YEARS, PREMIER CHOU EN-LAI DID NOT ATTEND ALBANIAN NATIONAL DAY CELEBRATIONS IN PEKING, AND PRC LEADERS FAILED TO REFER TO PARTY CHIEF HOXHA AS A "GREAT MARXIST-LENINIST" IN THEIR CONGRATULATORY MESSAGE. DIFFERENCES BETWEEN PEKING AND TIRANA OVER FOREIGN POLICY HAVE BEEN EVIDENT SINCE THE PRO RAPPROCHEMENT WITH THE U.S. MOVED INTO HIGH GEAR. RELATIONS ARE STILL QUITE CORDIAL, BUT THE RECENT CHANGE IS SIGNIFICANT. ALBANIA TAKES EXCEPTION TO CHINA'S ENCOURAGEMENT OF WEST EURO-PEAN UNITY, PARTICULARLY THE COMMON MARKET, WHICH PEKING SEES AS A COUNTERWEIGHT TO THE U.S. AND THE USSR.

SECFLE, MCFARLANE

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State Dept. & NSA review (s) completed

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

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SIND-YUGOSLAV RAPPROCHEMENT, WHICH FOLLOWED THE SOVIET-LED INVASION OF CZECHOSLOVAKIA, HAS SUFFERED A NUMBER OF SETBACKS OVER THE PAST YEAR. TITO'S SPEECH IN FEBRUARY 1973, IN WHICH HE INDICATED THAT HIS COUNTRY WILL NOT TAKE SIDES IN THE SIND-SOVIET DISPUTE, WAS A DISAPPOINTMENT TO CHINA. TITO ALSO TOP SECRET-SENSITIVE CONTAINS CODEWORD

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HINTED THAT RELATIONS WITH THE SOVIETS WOULD CONTINUE TO TAKE
PRECEDENCE OVER THOSE WITH THE PRC.

ISSUED AT THE CLOSE OF TITO'S MID-NOVEMBER VISIT TO KIEV WENT BEYOND PREVIOUS SUMMIT-LEVEL DOCUMENTS IN SIGNALING A CLOSER RELATIONSHIP BETWEEN MOSCOW AND BELGRADE AND UNDOUBTEDLY INCREASED FRICTIONS. CHINESE DISSATISFACTION WITH YUGOSLAVIA IS SOMEWHAT OFFSET BY THE PROSPECT OF EXPANDED TRADE RELATIONS. MOVES IN THIS DIRECTION HAVE PROGRESSED STEADILY SINCE THE SIGNING OF A NEW TRADE AGREEMENT IN MARCH 1973. BELGRADE IS ALSO TO BE A LINK IN CHINA'S INTERNATIONAL AIRLINE NETWORK. CEAUSESCU'S REASONS FOR CUTTING SHORT HIS VISIT:

25X1 HAT THE REASONS BEHIND CEAUSESCU'S DECISION TO SHORTEN HIS VISIT TO THE U.S. REFLECT INTENSIFIED PROBLEMS IN SOVIET-25X10MANIAN RELATIONS. ROMANIA'S INDÉPENDENT INITIATIVES ON THE MIDDLE EAST > CEAUSESCUIS TALKS WITH PRESIDENT NIXON > AND THE JOINT PRESIDENTIAL DECLARATION HAVE THE EFFECT OF PUTTING BUCHAREST EVEN MORE DUT OF STEP WITH MOSCOW. FURTHERMORE, AN IDEOLOGICAL COORDINATION MEETING IS REPORTEDLY SCHEDULED IN MOSCOW ON DECEMBER 19-20. IF SUCH A MEETING TAKES PLACE, WE EXPECT THE ROMANIANS TO ATTEND. IF SO, THEY WILL BE VERY MUCH THE "ODD MEN OUT" AT THE GATHERING. THUS, IT NOW APPEARS THAT CEAUSESCU MAY HAVE SHORTENED HIS VISIT TO PREPARE YET ANOTHER DEFENSE OF ROMANIA'S INDEPENDENT POSITION -- FOR BOTH THE AL-LEGED MEETING IN DECEMBER AND A LATER COMMUNIST CONCLAVE IN IN EACH CASE, THE ROMANIANS CAN BE EXPECTED TO BE SHARPLY CRITICIZED BY THEIR ALLIES, INCLUDING PERHAPS YUGO-SLAVIA. BUCHAREST, NONETHELESS, APPEARS DETERMINED TO HOLD TO ITS WELL-KNOWN POLICY POSITIONS. JAPAN-PRC TRADE PACT: THE JAPANESE FOREIGN MINISTRY TODAY

JAPAN-PRC TRADE PACT: THE JAPANESE FOREIGN MINISTRY TODAY ANNOUNCED THE GIST OF THE JAPAN-CHINA TRADE AGREEMENT INITIALED

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IN PEKING EARLIER IN THE DAY. THE TWO COUNTRIES AGREED: TO EXTEND MOST-FAVORED-NATION TREATMENT TO EACH OTHER; TO SETTLE TRADE ACCOUNTS; TO PROMOTE TECHNOLOGICAL EXCHANGES BETWEEN THE TWO COUNTRIES; TO ENCOURAGE THE USE OF COMMERCIAL ARBITRATION ORGANS; AND TO ESTABLISH A TRADE COMMITTEE. THE CONTENTS OF THE AGREEMENT WILL NOT BE DISCLOSED UNTIL THE FORMAL SIGNING, THE DATE FOR WHICH HAS NOT BEEN ANNOUNCED.

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TOP SECRET-SENSITIVE CONTAINS CODEWORD DIFFERENT PRIDRITIES IN HANDI AND PEKING: CHINESE AND NORTH VIETNAMESE PRESS TREATMENT OF SECRETARY SCHLESINGER'S RECENT NEWS CONFERENCE HIGHLIGHTS THE DIVERGENT INTERESTS OF THE TWO COUNTRIES. PEKING CONCENTRATED ON SCHLESINGER'S REMARKS RE-GARDING THE RELATIVE STRENGTH DF U.S. AND USSR STRATEGIC WEA-PONS AND MADE NO MENTION OF VIETNAM. HANDI, BY CONTRAST, CON-FINED ITS COMMENTS TO SHARP ATTACKS ON SCHLESINGER'S SUGGESTION THAT WASHINGTON MIGHT CONSIDER RENEWED BOMBING SHOULD THE COMMUNISTS MOUNT AN OFFENSIVE IN THE SOUTH. THE CHINESE CLEARLY FEEL THAT THE ENCOURAGEMENT OF AMERICAN EFFORTS TO COUNTERBALANCE SOVIET POWER IS MORE IMPORTANT TO THEM THAN JOINING HANDI IN WARNING AGAINST U.S. INTERVENTION IN VIETNAM. MORE COSVN-BOUND TROOPS: ACCORDING TO A RECENT INTERCEPT. A NEW COSVN-BOUND INFILTRATION GROUP WITH 530 TROOPS PASSED THROUGH THE VINH AREA OF SOUTHERN NORTH VIETNAM ON DECEMBER 12. IT IS THE FIFTH SUCH GROUP DETECTED IN THE SYSTEM SINCE LATE THE FIVE WOULD CONTAIN MORE THAN 2,500 MEN. IN ADDITION, TWO GROUPS WITH APPROXIMATELY 1,100 TROOPS HAVE BEEN SPOTTED IN THE SYSTEM HEADING FOR THE CENTRAL HIGHLANDS. ONE OF THESE MOVED THROUGH VINH IN LATE NOVEMBER. BOTH ARE NOW IN SOUTHERN LAGS. WASHINGTON STAR-NEWS: ROBERT WILLIAMS REPORTS THAT GOVERNOR ROCKEFELLER, NOW BEING ALMOST UNIVERSALLY VIEWED AS A 1976 CONTENDER FOR THE PRESIDENCY, WILL NOT FORMALLY DECLARE AS A CANDIDATE FOR AT LEAST TWO YEARS. ORR KELLY COMPARES THE "SECRET WAR" BY J. EDGAR HOOVER FROM 1968 TO 1971 WITH GENERAL LAVELLE'S "SECRET WAR" AGAINST NORTH VIETNAM IN THE WINTER OF 1971-72. HE COMMENTS THAT IN BOTH CASES, POWERFUL ARMS OF THE FEDERAL EXECUTIVE BRANCH APPEAR TO HAVE SLIPPED, AT LEAST TEMPORARILY, FROM UNDER THE CONTROL OF THE NATION'S ELECTED OFFICIALS. LEE COHN STATES THAT, ACCORDING TO KEY SENATORS, CHANCES ARE SLIM THAT THE PRESIDENT CAN PERSUADE THE SENATE FROM REMOVING

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ANTI-SOVIET PROVISIONS FROM FOREIGN TRADE LEGISLATION. THE HOUSE ON TUESDAY OVERWHELMINGLY REJECTED ATTEMPTS TO KILL ANTI-SOVIET PROVISIONS.

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